

Item 16

(Information Item)

Update on Student Loan Debt Workgroup

SUMMARY:

This item provides a summary of the work to date by the California Student Loan and Debt Service Review Workgroup.

RECOMMENDATION:

This is an information item; no action is required.

BACKGROUND:

The California Student Loan and Debt Service Review Workgroup (Workgroup) was established under the Budget Act of 2020 and was charged by the legislature with researching “implementable strategies and concepts that are focused on better ensuring that prospective, current, and former student loan borrowers are able to access the most financially beneficial loan programs, most affordable repayment plans, and any available debt service forgiveness programs.”

Consistent with SEC. 87 Item 6980-001-0001 of Section 2.00 of the Budget Act of 2020, the California Student Loan and Debt Service Review Workgroup consists of representatives from the California Department of Finance, the California Student Aid Commission (CSAC), and the Scholarshare Investment Board, along with three members of the public selected by CSAC based on their expertise in private, state and public loan programs. Members include:

- Dr. Lande Ajoose, Office of Governor Gavin Newsom
- Dr. Sandy Baum, Urban Institute (Public Member)
- Catalina Cifuentes, California Student Aid Commission
- Dr. Jamillah Moore, California Student Aid Commission
- Chris Ferguson, California Department of Finance
- Hal Geiogoue, Scholarshare Investment Board
- Bob Shireman, The Century Foundation (Public Member)
- Samantha Seng, Next Gen California (Public Member)

Commencing in fall 2020, the Workgroup met regularly to review the relevant research, identify strategies and policy interventions to address student loan debt and assess the evidence of impact and associated fiscal costs of these ideas. Through its regular

California Student Aid Commission

meetings, the Workgroup consulted with policy and research experts in the field, including those familiar with the California landscape and with national models and best practices. The workgroup also heard directly from student borrowers to understand the effects of student debt on Californians.

The report synthesizes the key findings, proposed solutions and final set of recommended policy responses advanced by the Workgroup. Consistent with the legislatively directed charge of the Workgroup, the recommendations are oriented toward supporting borrowers in accessing the best information and resources to finance their education and manage debt repayments. In its deliberations the Workgroup prioritized understanding the disparate effects of debt on different populations. Notably, the implications for individuals from populations of color, low-income backgrounds, and those that attend predatory for-profit institutions or take on debt but do not complete a credential.

RESPONSIBLE PERSON(S):

Patrick Perry, Deputy Director
Data, Analysis, and Research Team

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ATTACHMENT(S):

CA Student Loan Debt Service Review Workgroup Update presented on September 9, 2021